



**The Mid-Market Selling Process**  
Tailored To Businesses With Annual Sales Under \$100 Million

We were entrepreneurs who had never sold a company before . . . Alpha Omega guided us through every step in the process and introduced us to many qualified buyers. Several buyers made offers, and Alpha Omega helped us determine the best one. They also helped us close the deal.

— Winston Carroll, President, Carroll Engineering Company  
and Delta Electric, Inc.

# Who is Alpha Omega

We are a boutique investment banking firm that specializes in selling privately held companies. The principals of Alpha Omega include former company CEOs, division CEOs, and venture fund managers who have bought, sold, invested in and managed over 100 companies. Their backgrounds provide them with a working knowledge about what CEOs and business owners go through on a daily basis to run their companies. They also know what buyers and sellers want when buying or selling their businesses. With an expertise in business transactions, Alpha Omega can assist business owners in seamlessly exiting their companies while obtaining maximum value.

## Why You Need Alpha Omega

### What's so hard about selling a company?

Selling a company is easy. Getting the best price, the best terms, and even the best buyer are the hard parts. Then you have to complete due diligence and negotiate a purchase agreement; all the while, continuing to run your business and making a profit so you can receive maximum value.

**Alpha Omega helps you get the best price, the best terms, and the most qualified buyers.** We are professionals who sell companies. We market and sell companies like you market and sell products and services. We create a very detailed marketing plan, compile extensive marketing materials, reach out to a very broad universe of qualified buyers, and constantly follow up with prospects. **We contact these buyers on a confidential basis, so no one knows you're for sale such as your competitors, customers, or employees.** We help you realize your exit strategy goals. **We make buyers compete for your business.**

By hiring Alpha Omega:

- YOU focus on running your business while WE focus on selling your business.
- YOU preserve confidentiality and avoid disclosure of your intentions to your competitors, employees, or customers.
- WE locate and financially qualify your buyer to ensure they have the capital to complete the acquisition. We will even help them obtain bank financing if necessary.
- WE negotiate and improve offers. For example, we can help you receive a greater portion of the price in cash or negotiate a better earn-out/upside potential.
- WE close the deal. The purchase agreement has many important details, many of which are unfamiliar to people. Having extensive experience with these agreements, we can help you negotiate key issues. We can also help with due diligence.

# Our Approach Is Different

## When is the best time to sell?

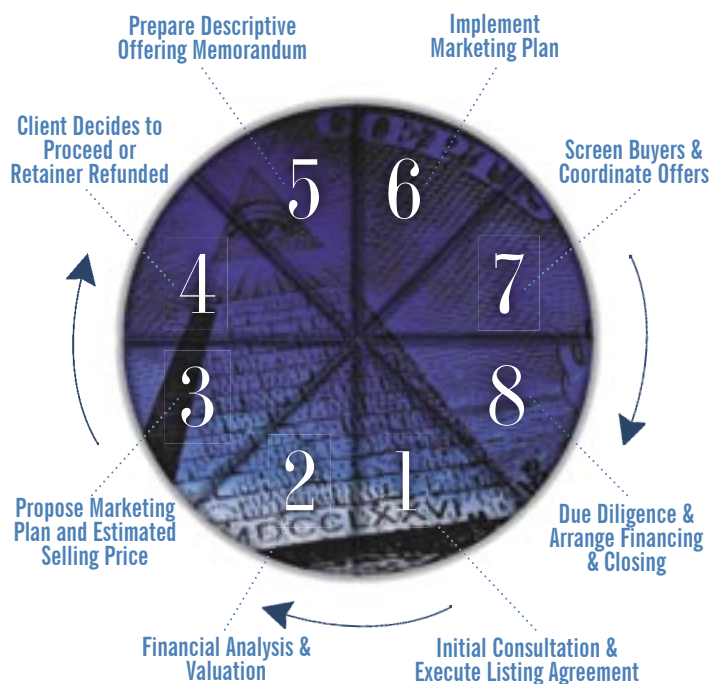
Every business owner wonders when he or she should sell. Some companies are ready now while others need to make improvements and prepare for a later sale. We help you determine the best time to sell by developing an Owner Exit Strategy. Using the principles discussed in our "Executive Guide to Maximizing Value," we help you assess your company's readiness for sale and help you develop an exit strategy that makes sense for you. We will provide you with a copy of this guide at our initial meeting.

## What is the owner's involvement in selling the company?

We work hard to limit your involvement to the following:

- Gathering information to complete a valuation and Exit Strategy Analysis,
- If moving forward in the selling process is justified, providing information to develop an accurate and comprehensive Descriptive Offering Memorandum,
- Meeting with the most serious prospective buyers after they have been developed and screened by our team,
- Thoughtfully considering any offers brought to you by our team, and
- Assisting with due diligence and closing.

**We do everything else!** Our goal is to isolate you, your employees, customers and suppliers from the process, and preserve confidentiality. We keep you completely informed every step of the way with either monthly or weekly reports at your discretion.



The principals of Alpha Omega have bought and sold almost 100 companies and been CEOs or senior managers of others. They bring a buyers perspective to sellers. Let us leverage our experience to help you maximize the return on one of your most important assets — your company.

## We Use Sophisticated Financial Analysis To Accurately Determine The Value of Your Business

### Valuation Preparation

- Research transaction information to obtain market comparables;
- Determine historic EBITDA\* and then adjust for owners' compensation, perks, and non-recurring items;
- Analyze historical financial information;
- Process information through AOCF proprietary software; and
- Make adjustments based on experience & judgment.

\* EBITDA is earnings before interest, taxes, depreciation and amortization.

### Methodologies include:

- Adjusted Book Value – Determine Adjusted Going Concern Value
- Capitalization Of Historic Earnings Value (With Growth, Without Growth)
- Discounting of Future Earnings (DCF) (With Growth, Without Growth)
- Industry Sale Comparables using Multiples of Cash Flow
- Industry Sale Comparables using Multiples of Revenue
- Partner Experience (Discount Factors Considered)

## Our Approach To Marketing a Company Is Unique

### Why So Much Emphasis on Marketing?

A strong marketing plan enables us to cast a wide net and find and contact as many prospective buyers as possible. It also enables us to find logical buyers and quickly close the deal!

A strong marketing plan includes a thorough and accurate Offering Memorandum which describes all aspects of your business. This memorandum helps prospective buyers understand the business and see that buying your business is a low risk proposition.

A strong marketing plan includes industry research about growth rates, trends in product development, and trends in global supply. This research helps prospective buyers understand the subject industry and how it fits into the changing world environment.

A strong marketing plan uses multiple marketing channels including personal letters and emails, listings on national websites, newsletters, referrals, direct contact and phone calls.

A strong marketing plan will speed up the process and result in a better deal.

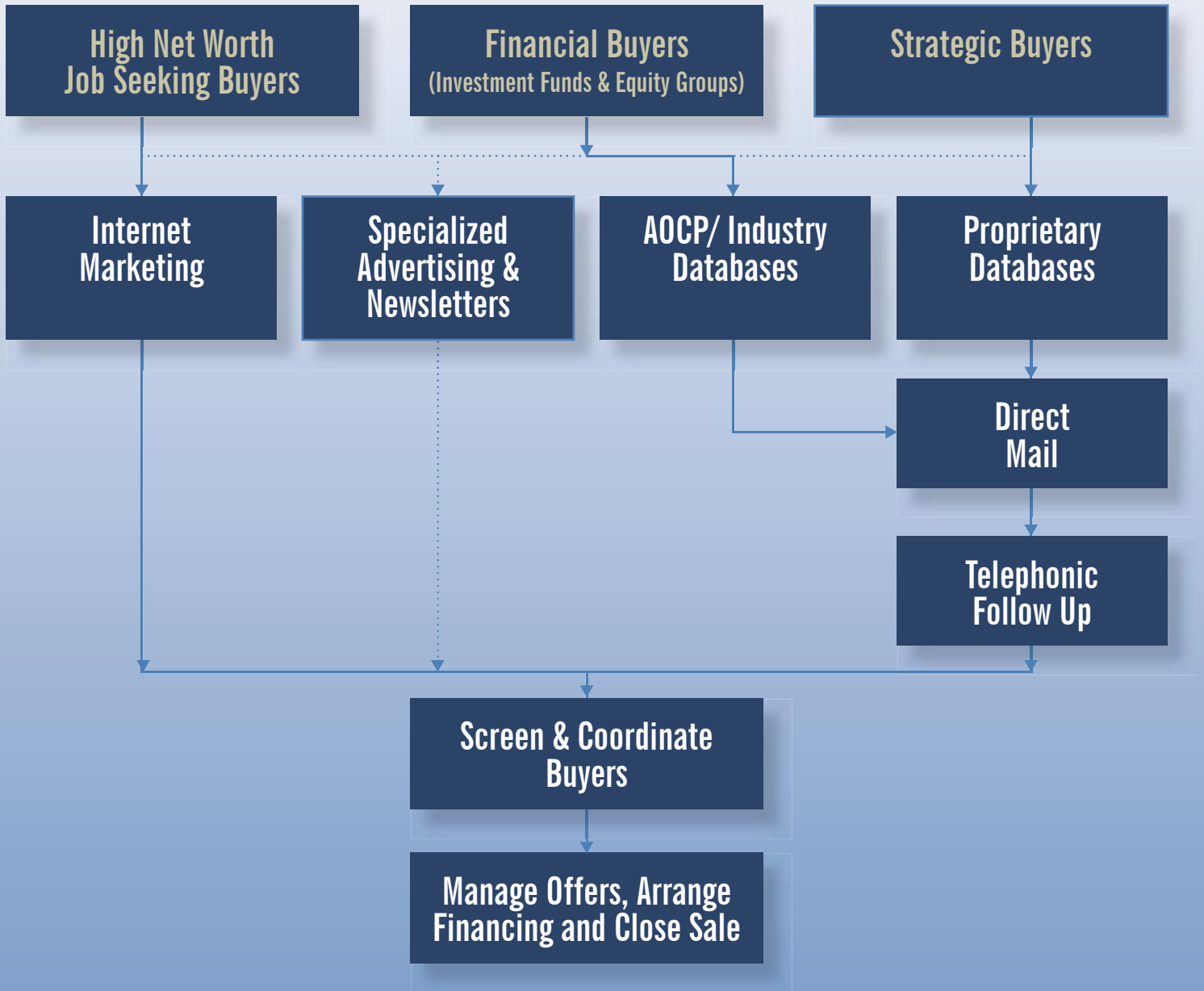
## We Develop a Thorough Marketing Plan That is Customized for Each Engagement

By thoroughly analyzing the markets that you serve and by analyzing your competitors (including any additional markets that they serve), we are able to identify the most likely strategic and financial buyers for your business. These buyers are usually the most qualified buyers and typically make the best offers.

### EXAMPLE MARKETING PLAN

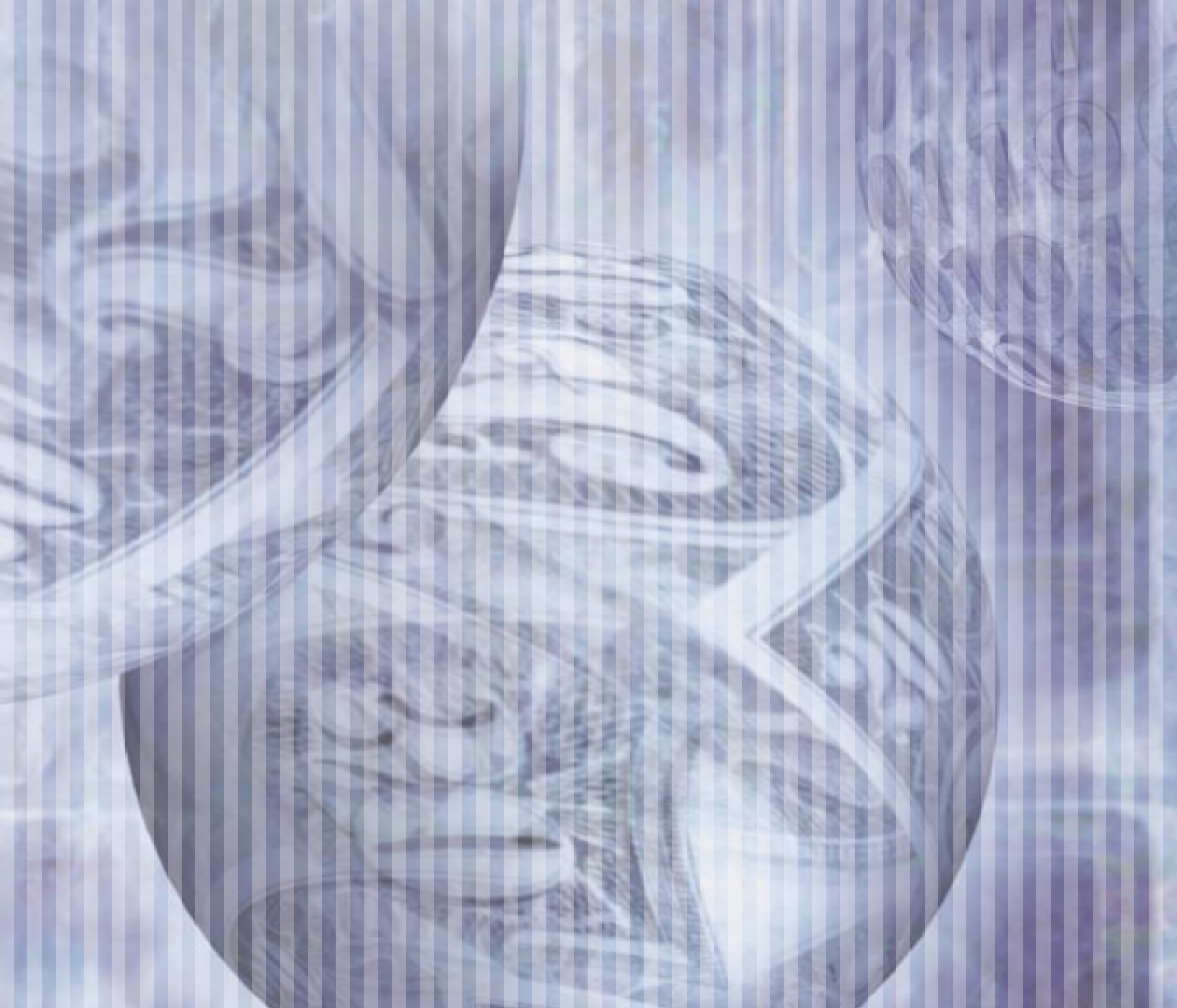
- 1 Use SIC codes to identify possible strategic buyers in competing, complementary and tangential markets
- 2 Find potential buyers from other industries
- 3 Use proprietary databases to identify prospective private equity groups and other qualified strategic buyers
- 4 Use direct mail and email to qualify the interest of all private equity groups and strategic buyers
- 5 Place phone calls to the most logical buyers
- 6 Select appropriate web sites and other advertising media to attract high-net worth individuals and other active buyers

# Implementing the Marketing Plan



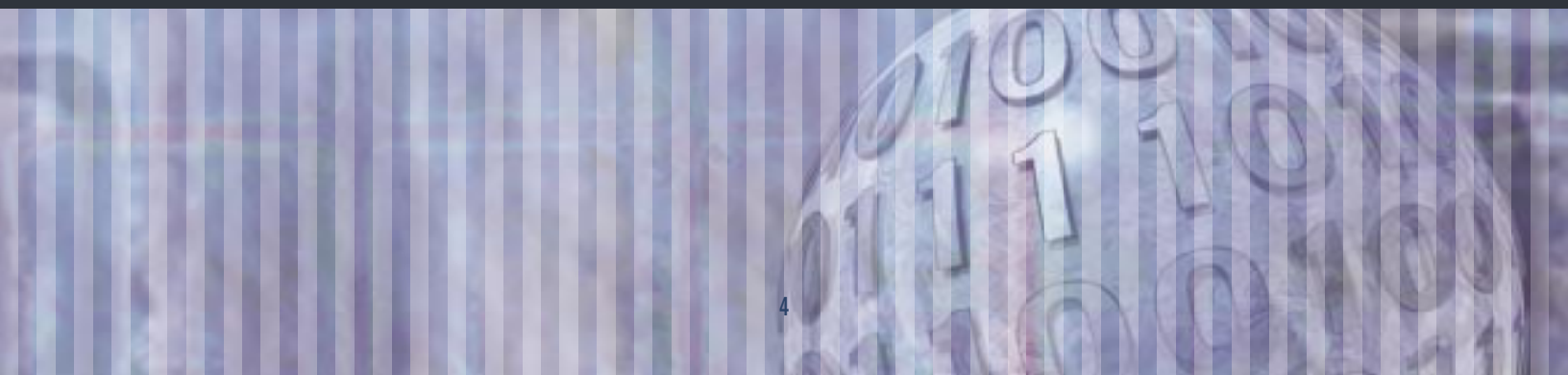
We were self-made people who used to be volunteers for a rescue squad. We worked hard and had the good luck to have many dedicated people working for us. Over the years, we helped many people in many communities. We think Urban Capital will enable us to serve many more. We want to thank Alpha Omega Capital for introducing us and helping make this happen.

— Dennis Taylor, President, Eastern Shore Ambulance Service, Inc.



Alpha Omega did a thorough job for us. They created a very complete descriptive memorandum that enabled prospective buyers to assess the opportunity without having to burden us with unnecessary meetings and conference calls. Combined with a highly effective marketing campaign, we were able to receive multiple offers for the company. We would recommend them to anyone.

— Ted Robertson, President, Autorent, Inc.



# Our Offering Memorandums Give Buyers Enough Information To Make A Confident Decision

**Complete Information Lowers Perceived Risk Which Translates to Higher Value.** For this reason, we prepare very detailed Descriptive Offering Memorandums. Just as a public company educates investors with a professionally prepared Annual Report, we educate potential buyers with a professionally prepared Offering Memorandum. Our Offering Memos attempt to answer all the questions that a buyer may have about your company. The memos enable them to assess the company without having us bother you with unnecessary phone calls, meetings or requests for information.

A well done memorandum reflects well on a seller and engenders trust with buyers. It helps a buyer understand the business better and helps him identify and mitigate any risks that he perceives in buying the company. To obtain maximum value for your business, we MUST solicit and earn the trust and confidence of the buyer, and Offering Memos are one way of accomplishing that.

Because of the detail and quality of the Offering Memorandum, you will only meet qualified, motivated, and fully informed buyers. All tire kickers will be screened out by our staff.

## Our Offering Memorandums Are Descriptive And Detail Oriented

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# We Tailor Our Approach To The Most Logical Buyer

**Yes, there are different types of buyers with different objectives.**

- **Strategic Buyers** are usually the best buyers. They know your industry and know your value; and as a result, strategics often pay the highest price. Strategic buyers are often competitors, suppliers of complementary products, or similar businesses in different parts of the country vying for market share. If you have a product, customer, or market synergy that the buyer wants, he is often willing to pay more for it. The most logical strategic buyer is often an international company or a business in a complementary industry that is not obvious without thorough analysis.
- **Private Equity Groups and Holding Companies (Financial Buyers)** are well capitalized firms that have been formed to buy companies. They like to acquire “platform” companies which then buy other companies that are merged into them. Oftentimes key management stays on and runs the business while the financial buyers find additional companies to merge into the business. Platform companies typically have \$25 million or more in revenues while “add-on” or “tuck-in” companies have \$5 million or more in sales. Financial buyers are generally organized as limited partnerships and managed by a small team of professionals. They are funded by pension funds, banks, and wealthy individuals. Selling to a financial buyer can be very lucrative, because key management often receives salaries, bonuses, and equity and stock options in the new company. The new company generally grows very rapidly in size, and is then sold for a substantial profit, usually 3 to 7 years after the company was first sold.

We make buyers compete for your business.

— Rob Mitchell, Partner

- **Job Seeking Buyers** are individuals, frequently refugees from Corporate America, who are often well financed and generally risk adverse. As the name implies, they are seeking to replace the income stream and intellectual challenges lost or abandoned in the corporate world. As a group, they are well educated (often superbly), professional, honest, sincere, and focused. Marketing to this group consists of confidential advertising. With investment equity generally ranging from \$200,000 to \$1,000,000, they are limited to transactions from \$1,000,000 to \$5,000,000.

# Our Approach Gets Results

## Why Does It Take So Long?

You should assume that it will take one year to sell your company. Often we sell a company in less time, but it can take time to find the right buyer who will make the right offer. Occasionally it may take longer than a year.

Strategic buyers are very busy operating their companies, and unless they are one of the few companies with a dedicated acquisition team, they look at acquisitions in their free time. Financial buyers can act more quickly, but they are constrained by small staffs and large deal flow. Job seeking buyers are inexperienced in finding and analyzing opportunities and can only look at one or two at a time. As a result, it takes time to locate the best buyers.

At Alpha Omega, we try to shorten that time by providing buyers with thorough and detailed Offering Memorandums. The memos enable a buyer to qualify the opportunity in one sitting without having to ask for more information. We try to accelerate the process by reaching out to a very large number of qualified buyers early in the process.

Ready access to information about your company can really help the process. Good accounting systems, procedure manuals, access to historical information, and good marketing materials can speed up the preparation of the Offering Memo as well as improve it. Of course, the performance and nature of your business will also affect the results.

Each step in our marketing is well defined and organized. We use sophisticated software to contact prospects, track every interaction, and follow up. We provide you with periodic reports which indicate where we are in the process, with whom we have talked and a full history of contacts. You are completely informed each step of the way.

Even after we find a buyer, it still takes time to close a deal, usually 60 to 90 days. Buyers need this time to complete their due diligence, negotiate a purchase agreement, and obtain a bank loan. Financial institutions need time to underwrite and approve their loans, and if the loan is guaranteed by the SBA, it takes a little longer.

Every transaction, whether it is a stock sale or an asset sale, has its own unique complexities. Few advisors have AOC's experience in working through the issues, coordinating the transaction, and closing the deal.

# Managing The Selling Process

The sale process generally takes 6 to 12 months to complete.

## Valuation

2 - 4 weeks

- Prepare Market Valuation
- Prepare Marketing Plan
- Determine Selling Price

## Complete Due Diligence

4- 6 weeks

- Prepare Executive Summary
- Prepare Descriptive Offering Memorandum
- Prepare Prospective Buyer List

## Marketing Phase 1

6 - 10 weeks

- Contact Buyers And Distribute Memorandum
- Respond To Preliminary Information Requests
- Receive Buyer Financial Qualifications

## Marketing Phase 2

6 - 10 weeks

- Meetings With Management Team
- Receive And Negotiate LOI's
- Accept Final LOI

## Closing

8 - 12 weeks

- Buyer Due Diligence
- Legal Documentation
- Financing Secured
- Closing



I interviewed a number of brokers when I decided to sell my business. The folks at Alpha Omega Capital Partners immediately impressed me as smart, professional and creative. While my deal was relatively small compared to their other deals, I never got the impression that it was any less important to them than it was to me. They produced an outstanding Offering Memorandum that presented my company fairly. They found a very well qualified buyer and we concluded a transaction quickly. I know that the buyer was equally impressed with the professionalism of Alpha Omega Capital Partners and that helped him get comfortable with my company and the deal. I would recommend them enthusiastically to anyone looking to sell their business.

— Larry Josephson, President, Foliograph Gallery



To obtain maximum value for your business, we **MUST** solicit and earn the trust and confidence of the buyer.

—Tony Vincent, Partner



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# Alpha Omega Completed Transactions

COMPANY NAME	COMPANY TYPE	COMPANY LOCATION
Ace Glass	Glass Replacement (Automotive)	Richmond, VA
Atlantic Coast Cranes	Construction Equipment - Sales & Service	Ashland, VA
Atlantic Stair Crafters	Manufacturing	Petersburg, VA
Autorent	Multi-Location Auto Rental Agency	Chester, VA
Baughans Tax Service	Tax & Accounting Service	Richmond, VA
BetterType Products	Distribution	Ashland, VA
BFC Corporation	Industrial Services	Hopewell, VA
C. Arthur Weaver Company	Distribution	Richmond, VA
Carroll Engineering	Distribution	Harlan, KY
Case Handyman Services of Roanoke	Construction & Remodel	Roanoke, VA
Cismont Market and Deli	Retail Grocery	Cismont, VA
Clarks, Inc.	Retail Home Center	Berkeley Springs, WV
Continental Graphics	Web Offset Printing	Loudoun Ct., VA
Copeland Day Care	Child Care & Development	Chester, VA
Copiers and Company	Office Equipment Dealer	Fredericksburg, VA
Delta Electric, Inc.	Distribution	Logan, WV
Dollinger Corporation	Filtration Manufacturing	US, Ireland, Canada
EarthCare Landscaping	Full Service Landscaping Contractor	Glen Allen, VA
Eastern Shore Ambulance Service	Ambulance Service	Sanford, VA
Elite Electric and Utility Supply	Wholesale Distribution	Richmond, VA
Entry-Guard Systems, Inc.	OEM Distribution	Richmond, VA
Foliograph Gallery	Art & Framing Shops	McLean, VA
Hunsinger Plastics	Custom Plastic Extruder	Bally, PA
Industrial Transmission, Inc.	Industrial Distribution	Greensboro, NC
Intelogistics	Telecommunications	Palm Beach, FL
Lakeside Appliance	Retail Sales	Richmond, VA
Loudoun Electric	Commercial Electrical Contractor	Sterling, VA
McCarthy Robinson, Ltd.	Filtration Manufacturing	Toronto, Canada
Metacloud	Telecommunications	Palm Beach, FL
MidAtlantic Telecom of Virginia	Telecommunications	Richmond, VA
Mid-State Electric Motors, Inc.	Distribution & Manufacturing	Washington, VA
Moretz Candy	Candy Manufacturing	Abington, VA
MSAG	Public Safety Geographic Info. Systems Provider	Orange, VA
Old World Prints Ltd.	Art Reproduction Manf.	Richmond, VA



# References For The Firm: Duns # 13-238-5241

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## Buy-Side Clients

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# Documents & Information Needed To List

## 1. Structure:

- A. Ownership Structure: **List Owners by Name and Percentages of Ownership:**
  - i.
  - ii.
  - iii.
- B. Corporate Structure:

## 2. Company History

- A. Brief Description
- B. Company Strengths
  - i.
  - ii.
  - iii.
- C. Any Information Available On Industry or Sources (Trade Associations, etc.)

## 3. Products: Literature, Photographs, Advertisements, Brochures, Articles

## 4. Sales:

- A. Total, Regional, and Product Type Sales History for three years
- B. Dollarized list of customers for the last three years

## 5. Marketing:

- A. Route to Market (Reps, Direct, Word of Mouth, etc.): How do you get business?
- B. Advertising (What you do and examples).
- C. Summary of Competitors (List of competitors and estimated market share in dollars)

## 6. Personnel:

- A. Benefits summary: Health Insurance, copies of any pension and/or profit sharing plans
- B. Summary of Management Personnel: One paragraph summary (brief Resume) about each major member of the management team that will remain with the business
- C. Chart of Employees (use chart outline below):

NAME	POSITION	PAY RATE	DATE EMPLOYED	BIRTH DATE

- D. Organization Chart

## 7. Operations:

- A. Quality Program (if applicable)
- B. Insurance Chart: Workman's Compensation, General Liability, Fire, & Vehicular (Copies of coverage page of all insurance policies)
- C. Intellectual Property: Patents, Trademarks, Proprietary Software, etc. (year, description)
- D. Facilities Summary:
  - i. Size
  - ii. Type Construction
  - iii. Copy of Lease or Terms Desired If Seller Owned And Retained. If Seller Owned and to be included in the sale, copy of any appraisal done.
  - iv. Taxes – copy of most recent tax bill if Seller owned
- E. Environmental, Health & Safety Programs: OSHA (confined space), HAZMET, Employee Right to Know (if applicable)
- F. List of major suppliers and items/services supplied

## 8. Financial:

- A. Corporate tax return, Schedule C, or Partnership tax return for three years
- B. Balance Sheet History for Three Years.
  - i. Accounts receivable aging report
  - ii. Schedule of all indebtedness of the business (for a stock transaction)
- C. Asset Listing:
  - i. List of assets including purchase price, date and estimated current value.
  - ii. Depreciation schedules and accumulated depreciation
  - iii. List of assets to be excluded from the sale
- D. Income Statements for Three Years (five better)
- E. Latest interim financial statements on a month-end quarterly basis
- F. Projected Sales Increases for Three Years in real numbers or percentages

## 9. Photographs: Products (standard & custom), Products in use or installed, Facilities, Equipment, etc